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A Cautionary Tale

The Central Intelligence Agency sharply raised its estimate of what the Soviet Union was spending on defense, a change that can mean, according to one's point of view, either that the Russians have started to expand their forces in a terrifying manner, or that the earlier estimate was too low.

—The Economist

Nothing in this city has been more amazing than the totally blank response of the American political community to the episode above mentioned. The change of estimate was made long prior to the intervention of the so-called Watch Committee in the estimating process.

Furthermore, the official figure on Soviet defense spending rose from "6 to 8 per cent" of the Soviet Gross National Product to no less than "13 per cent." In other words, America's single most important foreign estimate in the whole book was approximately doubled, apparently overnight. It is therefore high time to tell the cautionary tale of what really happened.

It is time, in the first place, because too many people have too good reasons for fearing that President Carter's nominee for chief disarmament negotiator, Paul C. Warnke, will reinforce a dangerous policy bias in the crucial estimating process. And secondly, it is time because this same bias has already produced results which look unpleasantly like (but do not in fact resemble) the ugliest kind of spy drama.

To make what happened understandable, it is necessary to say something about our little understood American intelligence community. On the estimating side, in brief, there is a sharp division between the military and civilian analysts. The Central Intelligence Agency's analysts belong, broadly speaking, to the American professoriate. Many of them in fact have the ideological slants—often in extreme form—of any characteristically liberal American university professor.

To give one example, there is the honorable but misguided man who rose to the head of the CIA's analytical branch, but ended his career after Dr. James Schlesinger took over the CIA. He was dead wrong about Hungary in 1956. Approved For Release 2005/07/01 : CIA-RDP91-00901R000700060122-3
In 1962, he was so obstinately wrong that he wished to stop the U-2 overflights, which alone revealed the

dead wrong about the Soviet invasion of Czechoslovakia in 1968.

There was nothing evil about these errors—although it was perhaps a bit odd that the man who committed them was continuously promoted. The errors simply reflected the view, so common in the American professoriate, that the Soviets at bottom are much nicer and a lot less militaristic than nasty-minded persons too often believe.

Inevitably, this view deeply affected the estimates of Soviet defense outlays. A Byzantine system was evolved by the CIA's civilian analysts—and partly accepted, too, by the Pentagon's Defense Intelligence analysts—which was obviously calculated to produce comfortingly low estimates.

The resulting estimates looked grossly unrealistic to some people, including this reporter, because of the vast quantities of weapons the Soviets were buying. But nothing much was done about the problem until Lieutenant General Daniel Graham was

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named Director of Defense Intelligence in 1974, when a serious debate began.

In 1975, the American Intelligence "processing centers" in Germany then picked up a Soviet emigrant-defector who must be nameless, since he would otherwise go in peril of his life. It is enough to say that thus he had been able to be defected from an extremely high post in the Soviet central planning apparatus, the GOSPLAN.

This emigrant-defector produced an earthquake-like convulsion among the analysts and estimators of the American intelligence community. Somewhat earlier, he had had an indisputable "need to know," which caused him to be shown the secret, line-by-line Soviet defense budget for 1970. He was heavily guarded when studying the defense budget, and was forbidden to take notes. But by luck, he had a near-photographic memory.

Because of his former key position in the GOSPLAN, the emigrant-defector was brought to this country for "debriefing" by the CIA. He promptly The published American estimate for Soviet defense spending in the year 1970 had been "6 per cent" of Gross

based on a more detailed calculation by the estimators that the Soviets had spent 25 billion rubles on defense that year.

The emigrant-defector reported, instead, that the actual total for Soviet defense spending in the 1970 budget he had seen was no less than 50 billion rubles! He further backed up this highly unsettling report with a wealth of remembered figures from the various subordinate parts of the secret Soviet budget.

As the debriefing proceeded, the Pentagon was informed under the usual procedures. Dr. James Schlesinger, by then Secretary of Defense, even agreed to defer any revision of the published intelligence estimates until after the U.S. defense budget had passed through Congress that summer—for fear of accusations of propaganda-making for U.S. defense spending. But the Pentagon was only most casually informed about the curious lie-detector test that was abruptly administered to the Soviet emigrant-defector by his CIA debriefers, or perhaps by some of their superior officers.

As director of Defense Intelligence, General Graham only learned that the emigrant-defector had failed a lie-detector test when this invaluable witness was on the very eve of being shipped back to Germany in heavy disgrace as a probable provocateur. General Graham promptly obtained the backing of Secretary of Defense Schlesinger, and then demanded the body, as it were, first from Lieutenant General Vernon A. Walters, and then from the next man in the CIA pecking order, Deputy Director for Intelligence Edward Proctor.

At first, Proctor tried hard to resist turning over the emigrant-defector to General Graham. But there was no remedy under the established procedures, so the emigrant-defector was sent to General Graham's office in the custody of a CIA operative. This latter had been surprisingly instructed not to leave the emigrant-defector alone with General Graham, and he had to be forcibly prevented from entering General Graham's office.

General Graham, who speaks excellent Russian, then discovered that the lie-detector test had been improperly administered—to put it almost too politely. It is generally known, but polygraph or lie-detector tests can easily be crooked by using long, many-claused, highly conditional questions